



**WISCONSIN LEGISLATIVE COUNCIL
ACT MEMO**

2013 Wisconsin Act 78
[2013 Assembly Bill 248]

**Restricting Release of
Credit Information**

CURRENT LAW

Current law generally allows an individual, upon making a proper request, to prohibit a consumer reporting agency (CRA) from releasing the individual's credit report for any purpose related to the extension of credit without the individual's prior authorization. If so requested, the CRA must include a security freeze on the individual's credit report.

There are various exceptions to these requirements. Further, current law allows an individual to authorize the release of the credit report subject to a security freeze and to request removal of a security freeze.

2013 WISCONSIN ACT 78

Act 78 provides for additional security freezes by allowing a representative (a person with authority to act on behalf of a protected consumer) to obtain security freezes on behalf of protected consumers. A "sufficient proof of authority" to act on behalf of a protected consumer includes: (1) a court order; (2) a power of attorney; or (3) a notarized statement describing the authority to act on behalf of a protected consumer. A "protected consumer" is either: (1) an individual who is under 16 years old; or (2) an individual for whom a guardian or conservator has been appointed.

Under the Act, a representative may request a security freeze for a protected consumer by providing a CRA with the sufficient proof of authority and sufficient proof of identification of both the representative and protected consumer. A "sufficient proof of identification" includes: (1) a Social Security number (SSN) or copy of a Social Security card; (2) a certified or official copy of a birth certificate; or (3) a copy of a motor vehicle operator's license or identification card.

If a CRA receives a representative's request for a security freeze on behalf of a protected consumer, and the CRA already has a file on the protected consumer, the CRA must place a security

This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature's Web site at: <http://www.legis.wisconsin.gov>.

freeze that prohibits the CRA from releasing the protected consumer's credit report. If the CRA does not have a file on the protected consumer, the CRA must place a security freeze by creating a record identifying the protected consumer. The Act requires a CRA to verify that it has no file by checking names and SSNs in its existing files.

The Act also does the following:

1. Prohibits using the record for credit considerations.
2. Requires a CRA to place a security freeze within 30 days after receiving a request that complies with the Act's requirements, regardless of whether the CRA already has a file on the protected consumer.
3. Prohibits the CRA, upon placement of a security freeze, from releasing the protected consumer's credit report, any information derived from the credit report, or any record created under the Act, unless the security freeze is removed.
4. Creates procedures for representatives and protected consumers to have CRAs remove security freezes and allows CRAs to remove security freezes based on material misrepresentation of fact by representatives or protected consumers.
5. Allows CRAs to charge a reasonable fee not exceeding \$10 for placing or removing security freezes, but prohibits fees in cases involving identity theft or protected consumers under 16 years old who already have files at CRAs.
6. Creates exceptions from the Act's requirements, including the exceptions that apply to security freeze restrictions under current law, as well as exceptions for information used for criminal records, fraud prevention or detection, personal loss history information, or certain background screening purposes.
7. Allows the Department of Agriculture, Trade and Consumer Protection and the Department of Justice to bring actions to enforce the Act's requirements.
8. Subjects a person who violates the Act to a civil forfeiture of not more than \$1,000 per violation.

Effective date: January 14, 2014.

Prepared by: Laura Rose, Deputy Director

February 6, 2014

LR:jb;ksm